IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE SEVENTH DAY OF FEBRUARY
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE K.C. BHANU

WRIT PETITION No.1298 of 2005

Between:

Y. Nagesh Kumar, S/o. Nagabhushanam,
R/o. H.No. 8-6-31, Station Road, WARANGAL.

..... PETITIONER

AND

1. Andhra Pradesh State Financial Corporation, Warangal Branch at Balasamudram, Hanamkonda, Warangal, Rep. by its Senior Branch manager, at Warangal.

2. Dr. G. Sammaiah, S/o. Mondaiah,

R/o. Bhargavi Nursing Home, Bheemaram Village,

Hasanparthy (M), Warangal District.

.....RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed herein the High Court will be pleased to issue a writ, order or direction more particularly one in the nature of Writ of Mandamus declaring impugned action of the 1st respondent in taking coercive steps in recovering the loan amount due by the 2nd respondent and threatening to close business of the petitioner in premises bearing No. 8-6-31 station road Warangal without following the procedure establish under law is illegal and contrary to the Article 14, 19 of Constitution of India in the interest of justice and equity.

Counsel for the Petitioner:MR.A.RAVINDER

Counsel for the Respondent No.1: MR.Y.N.LOHITA

Counsel for the Respondent No.2:

The Court at the admission stage made the following Order:

This writ petition is filed seeking a Writ of Mandamus declaring the action of the first respondent in taking coercive steps against the petitioner to recover the loan amount due by the second respondent and threatening to close his business as illegal and arbitrary.

The case of the petitioner is that the first respondent sanctioned a term loan of Rs.19,00,000/- on 12.08.2002 to the second respondent and that the petitioner stood as a surety for the said amount. As the second respondent failed to pay the instalments regularly, the first respondent Corporation issued a notice dated 07.09.2004 to the petitioner as well as to the second respondent to pay the outstanding amount on or before 22.09.2004, failing which, the first respondent Corporation would take appropriate steps for sale of the collateral security offered.

Admittedly, the petitioner stood as surety for the loan amount sanctioned by the first respondent and no rights of the petitioner has been infringed. This writ petition is filed only with an apprehension that the first respondent will take coercive steps to recover the outstanding amount due from the second respondent. Hence, the writ petition is devoid of merits and is liable to be dismissed.

Accordingly, the writ petition is dismissed at the stage of admission. However, it is brought to the notice of this Court that the petitioner made a representation on 02.02.2005 to the first respondent. Hence, the first respondent is directed to dispose of the same in accordance with law. No costs.

07.02.2005

usd

To

1. The Senior Branch manager, Andhra Pradesh State Financial Corporation, Warangal Branch, Balasamudram Hanamkonda, Warangal.

2. Two CD copies.